

Automated Commercial Environment—Requirements Recommendation

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Requestor:	Trade Coalition ¹
Customs Co-Chair:	Phyllis Rubenstein, Millie Gleason
Trade Co-Chair:	Art Litman

Requirement

Post Release: The IASS will be the legal entity (i.e. the entry) for filers who use it for purposes other than extension. If Customs extends liquidation of an IASS it should extend only those lines (either by entry number for filers that report each release or by IASS line number for those that summarize monthly import data) on the IASS with respect to which it has insufficient information to finalize the IASS.

Business Need

The law authorizes Customs to extend the period in which to liquidate and entry if certain information is not available to Customs. Currently, Customs must make entry by entry decisions about what to extend. However, as an IASS will contain aggregated information as to all imports during a month, the decision to extend an entire IASS can be over-broad inasmuch as Customs may only need additional information as to a limited range of imports, e.g., one of hundreds of IASS lines. Currently, Customs extends only 0.7% of entries. A draconian increase in open contingent liabilities can occur if extension only applies to the full IASS. As explained in ENT-003, the system should provide for means for Customs to isolate one or more IASS lines to create a new and separate record for purposes of extension/Customs reconciliation. All other lines within the IASS would liquidate (become final). Isolated lines would be put on their own liquidation track.

Technical Need

Benefits

Provides ability to tailor extension of liquidation period to actual imports for which additional information is required. Reduces the risk that huge new contingent liabilities will be created.

Risks

The status of IASS as the legal entity and what happens when some issues on the entry need to be extended remains an issue to be worked out in ACE. It should be noted, however, that Customs has stated that it reserves the right to extend liquidation on all company entries when a general audit of the company is being conducted.

Related Subcommittees

¹ Richard M. Belanger, ERP III Letter to Stuart Seidel, April 10, 2001.

Priority:

Critical

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High

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Medium

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Low

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